

[Company Name]

LOAN NOTE INSTRUMENT

THIS DEED is dated []

[Company Name] incorporated and registered in England and Wales with company number 07537353 whose registered office is at 1 Harley Street, London, W1G9QD (the **Company**).

BACKGROUND

The Company has, by resolution of its board of directors, resolved to create a nominal amount of £[] monthly fixed rate unsecured loan notes, to be constituted in the manner set out below.

AGREED TERMS

1. Definitions and interpretation

1.1 The definitions and rules of interpretation in this clause apply in this instrument.

Business Day;	any day, other than a Saturday or Sunday or English bank holiday.
Conditions;	the conditions set out in the certificate for Notes in the standard form issued by Yes Growth as from time to time amended and Condition shall be construed accordingly.
Directors;	the board of directors of the Company for the time being.
Event of Default;	any of those events specified in clause 9.
Group;	the Company and any subsidiary or holding company from time to time of the Company, and any subsidiary from time to time of the Company's holding company (and the expression member of the Group shall be construed accordingly).
Noteholder(s);	each person for the time being entered in the Register as a holder of any Notes.
Notes;	£[]% monthly fixed rate unsecured loan notes constituted by this instrument or, as the case may be, the amount of such loan notes for the time being issued and outstanding.
Register;	the register containing details of the Noteholders from time to time (provisions relating to which are set out in clause 8).
Repayment Dates;	The dates set out in the certificate for Notes.
Yes Growth;	Yes Growth Limited, a company registered in England with company number 8330262 whose registered office is at 264 Banbury Road, Oxford, Oxfordshire, United Kingdom, OX2 7DY.

- 1.2 Any reference in this instrument to:
- (a) the **assets** of any person shall be construed as a reference to all or any part of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital;
 - (b) an **encumbrance** shall be construed as a reference to a mortgage, charge, assignment, pledge, lien (save as arising in the ordinary course of business), hypothecation, right of set-off (save as arising under the general law for the protection of certain classes of creditors) or trust arrangement for the purpose of and having a similar effect to the granting of security, or other security interest of any kind;
 - (c) **indebtedness** shall be construed as a reference to any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;
 - (d) this **instrument** or to any other instrument, agreement or document shall, unless the context otherwise requires, be construed as reference to this instrument or such other instrument, agreement or document as the same may from time to time be amended, varied, supplemented or novated, in each case, in accordance with its terms;
 - (e) a **month** shall be construed as a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day that is not a Business Day, it shall end on the next Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the preceding Business Day provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month;
 - (f) a **person** shall be construed as a reference to any individual, firm, company or other body corporate, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) and, respectively, wherever incorporated or established;
 - (g) **repayment** includes redemption and vice versa and the words **repay**, **redeem**, **repayable**, **redeemed** and **repaid** shall be construed accordingly;
 - (h) a reference to a **subsidiary** or a **holding company** means a subsidiary or a holding company (as the case may be) as defined in section 1159 of the Companies Act 2006 and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of: (a) another person (or its nominee), by way of security or in connection with the taking of security; or (b) its nominee.
 - (i) **tax** shall be construed so as to include any present and future tax, levy, impost, deduction, withholding, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

- (j) the **winding-up, dissolution or administration** of a person shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated or of any jurisdiction in which such person carries on business; and
- (k) £ denotes the lawful currency of the United Kingdom.

- 1.3 References to any statute or statutory provision shall include references to such statute or statutory provision as in force at the date of this instrument and as subsequently re-enacted or consolidated and shall include references to any statute or statutory provision of which it is a re-enactment or consolidation.
- 1.4 In construing this instrument general words introduced by the word **other** shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words followed by the word **including** shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.
- 1.5 All the provisions of this instrument are severable and distinct from one another and the illegality, invalidity or unenforceability of any provision of this instrument under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.
- 1.6 References to the Notes include references to all and/or any of the Notes.
- 1.7 The headings in this instrument are inserted for convenience only and shall not affect construction or interpretation and references to a clause, schedule, condition or paragraph are (unless otherwise stated) to a clause or schedule in this instrument and to a condition or a paragraph of the relevant schedule, respectively.

2. Amount of Notes

The principal amount of the Notes is limited to £[]

3. Description of Notes

The Notes shall be known as [%] monthly fixed rate unsecured loan notes and shall be issued in integral multiples of £1 by the Company.

4. Status of Notes

The Notes when issued shall rank *pari passu* equally and rateably without discrimination or preference among themselves and as an unsecured obligation of the Company.

5. Repayment of Notes

- 5.1 When the Notes become payable in accordance with the provisions of this instrument, the Company shall pay to the Noteholders the full principal amount of the Notes to be repaid together with any accrued interest on such Notes (less any tax which the Company is required by law to deduct or withhold from such payment) up to and including the date of payment.
- 5.2 All payments under this instrument, whether of principal, interest or otherwise, shall be made by the Company to the Noteholders in the manner provided in paragraph 8 of the Schedule.

- 5.3 Where any payment to a Noteholder, whether of principal, interest or otherwise, is due in accordance with the terms of this instrument on a day that is not a Business Day, payment shall take place on the next succeeding Business Day. If that next succeeding Business Day is in the month following the month in which payment would otherwise be made, payment shall take place on the immediately preceding Business Day.

6. Interest on Notes

Until the Notes are repaid in accordance with the provisions of this instrument, interest shall accrue and be paid on the principal amount of the Notes which are outstanding at the rate and in the manner set out in the Conditions.

7. Certificates

- 7.1 Each certificate for Notes shall:

- (a) bear a denoting number;
- (b) be issued to the Noteholder as a deed, substantially in the standard form issued by Yes Growth from time to time; and
- (c) have the Conditions endorsed on it.

- 7.2 Each Noteholder shall be entitled to receive without charge one certificate for the Notes registered in its name.

- 7.3 The Company shall not be bound to register more than four persons as the joint holders of any Notes and, in the case of Notes held jointly by several persons, the Company shall not be bound to issue more than one certificate. Delivery of a certificate to the person who is first named in the Register as a Noteholder shall be sufficient delivery to all joint holders of the Notes in respect of which such certificate has been delivered.

- 7.4 When a Noteholder transfers its Notes, the old certificate shall be cancelled and a new certificate for the balance of such Notes shall be issued without charge.

8. Register

- 8.1 The Company shall, at all times, keep a Register at its registered office (or at such other place as the Company may from time to time have appointed for the purpose and have notified to the Noteholders).

- 8.2 The Register shall contain the following details:

- (a) the names and addresses of the Noteholders for the time being;
- (b) the principal amount of the Notes held by each Noteholder;
- (c) the date at which the name of each Noteholder is entered in respect of the Notes registered in his name;
- (d) the date of issue of each Note; and
- (e) all transfers and changes of ownership of the Notes.

- 8.3 Any change of name or address by any Noteholder that is notified to the Company at its registered office address above shall be entered in the Register.

- 8.4 Any Noteholder may at all reasonable times during office hours and on reasonable notice inspect, and take copies of, the Register.

9. Default

9.1 The following are Events of Default:

- (a) **Non-payment:** The Company fails to pay any principal or interest on any of the Notes within 10 Business Days after the due date for payment thereof;
- (b) **Breach of undertaking:** The Company fails duly to perform or comply with any obligation (other than an obligation to pay principal or interest in respect of the Notes) expressed to be assumed by it in this instrument and such failure continues for 10 days after written notice has been given by any Noteholder requiring remedy thereof;
- (c) **Cross-default:** Any indebtedness of the Company or any member of the Group is not paid when due or is declared to be or otherwise becomes due and payable prior to its specified maturity or any creditor of the Company or any member of the Group becomes entitled to declare any such indebtedness due and payable prior to its specified maturity;
- (d) **Insolvency:** The Company or any member of the Group is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts (as defined in section 123 of the Insolvency Act 1986), stops, suspends or threatens to stop or suspend payment of all or any material part of its indebtedness or commences negotiations with any one or more of its creditors with a view to the general readjustment or re-scheduling of all or any material part of its indebtedness or makes a general assignment for the benefit of, or composition with, its creditors (or any class of its creditors) or a moratorium is agreed or declared in respect of, or affecting, all or a material part of its indebtedness;
- (e) **Enforcement proceedings:** A distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the assets of the Company or any member of the Group and is not discharged or stayed within 10 days;
- (f) **Winding-up:** The Company or any member of the Group takes any corporate action or other steps are taken or legal or other proceedings are started for its winding-up, dissolution or re-organisation (other than for the purposes of a bona fide, solvent scheme of reconstruction or amalgamation previously approved by Special Resolution) or for the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or of any or all of its assets;
- (g) **Analogous proceedings:** Anything analogous to or having a substantially similar effect to any of the events specified in clause 9.1(d) to clause 9.1(f) inclusive shall occur under the laws of any applicable jurisdiction;
- (h) **Encumbrance enforceable:** Any encumbrance on or over the assets of the Company or any member of the Group becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar person) is taken to enforce that encumbrance;
- (i) **Cessation of business:** The Company or any member of the Group ceases to carry on the business it carries on at the date of this instrument or a substantial part thereof; and

- (j) **Illegality:** It is or becomes or will become unlawful for the Company to perform or comply with any of its obligations under this instrument, or any such obligation is not or ceases to be legal, valid and binding.

10. Acceleration

If, at any time and for any reason, any Event of Default has occurred, the Noteholders may by written notice to the Company from Noteholders holding more than 50% in nominal value of the Notes then issued and outstanding, at any time while such Event of Default remains unremedied, direct that the principal amount of all Notes, all unpaid accrued interest and any other sum then payable on such Notes shall become due and payable immediately. If the Noteholders give such a direction under this clause, then the principal amount of all Notes, all unpaid accrued interest and any other sum then payable on such Notes (in each case less any applicable taxes) shall be immediately due and payable by the Company and the Company shall immediately pay or repay such amounts to the Noteholders.

11. No set-off

Payments of principal and interest under this instrument shall be paid by the Company to the Noteholders, and the Notes shall be transferable in accordance with the provisions of 0, without any deduction or withholding (whether in respect of any set-off, counterclaim, duties, taxes or otherwise whatsoever) unless the deduction or withholding is required by law.

12. Enforcement

12.1 From and after the date of this instrument and so long as any amount is payable by the Company in respect of the Notes, the Company undertakes that it shall duly perform and observe the obligations on its part contained in this instrument.

12.2 The Notes shall be held subject to and with the benefit of the provisions of this instrument, the Conditions and the schedules (all of which shall be deemed to be incorporated in this instrument). All such provisions shall be binding on the Company and the Noteholders and all persons claiming through or under them respectively, and shall enure for the benefit of all Noteholders.

12.3 Each Noteholder shall be entitled to sue for the performance and observance of the provisions of this instrument so far as his holding of Notes is concerned. No other person shall have any right to enforce any term or condition of this instrument under the Contracts (Rights of Third Parties) Act 1999.

13. Modification

The provisions of this instrument and the Conditions and the rights of the Noteholders may from time to time be modified, abrogated or compromised in any respect with the sanction of Noteholders holding more than 50% in nominal value of the Notes then issued and outstanding and with the consent of the Company.

14. Governing law and jurisdiction

14.1 This instrument and the Notes and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.

14.2 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this instrument or any Note or their subject matter or formation (including non-contractual disputes or claims).

This instrument has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by [Company] Limited
acting by [Name], a director

.....

SIGNATURE OF FIRST DIRECTOR

acting by [Name], a director

.....

SIGNATURE OF SECOND DIRECTOR

OR

.....

SIGNATURE OF WITNESS

PRINT NAME, ADDRESS AND OCCUPATION OF WITNESS

Dated:[]]

Schedule
Provisions as to registration, transfer and other matters

1. Recognition of Noteholder as absolute owner

1.1 The Company shall recognise as absolute owner the registered holder of any Notes. The Company shall not (except as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Notes may be subject. The receipt of the registered holder for the time being of any Notes or, in the case of joint registered holders, the receipt of any of them, for the principal payable in respect of such Notes and for the interest from time to time accruing due in respect of such Notes or for any other moneys payable in respect of such Notes shall be a good discharge to the Company notwithstanding any notice it may have (whether express or otherwise) of the right, title, interest or claim of any other person to or in such Notes, interest or moneys. The Company shall not be bound to enter any notice of any express, implied or constructive trust on the Register in respect of any Notes.

2. Transferability of Notes

2.1 The Notes are transferable by instrument in writing in the usual common form (or in such other form as the Directors of the Company may approve) in amounts and multiples of £1. There shall not be included in any instrument of transfer any Notes other than the Notes constituted by this instrument.

3. Execution of transfers

3.1 Every instrument of transfer shall be duly signed by or on behalf of the transferor and the transferor shall be deemed to remain the owner of the Notes to be transferred until the transferee's name is entered in the Register in respect of such Notes, such entry not to be unreasonably delayed or refused.

4. Registration of transfers

4.1 Every instrument of transfer shall be left for registration at the address where the Register is maintained for the time being accompanied by the Certificate(s) for the Notes to be transferred, together with such other evidence as the Directors or other officers of the Company authorised to deal with the transfers may reasonably require to prove the title of the transferor or his right to transfer the Notes and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so. Copies of all instruments of transfer which are registered shall be retained by the Company. No transfer shall be registered of Notes in respect of which a notice of repayment has been given under Condition 2 (Voluntary early repayment).

5. No fees for registration of transfers

5.1 No fee shall be charged for the registration of any transfer or for the registration of any confirmation, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any Notes or for making any entry in the Register relating to or affecting the title to any Notes.

6. Recognition of personal representatives

6.1 The executors or administrators of a deceased Noteholder (not being one of several joint registered holders) and in the case of the death of one or more of several joint

registered holders the survivor or survivors of such joint registered holders, shall be the only person(s) recognised by the Company as having any title to such Notes.

7. Transmission of Notes

7.1 Any person who becomes entitled to any of the Notes as a result of the death or bankruptcy of any Noteholder, or of any other event giving rise to the transmission of such Notes by operation of law may, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Condition or of his title as the Directors shall think sufficient, be registered himself as the holder of such Notes or, subject to the preceding Conditions as to transfer, may transfer such Notes. The Company may retain any payments paid upon any such Notes which any person under this provision is entitled to, until such person is registered as the holder of such Notes or has duly transferred the Notes.

8. Payment of interest and principal

8.1 The payments of principal, interest or other sums payable in respect of the Notes may be paid by:

- (a) electronic transfer in immediately available cleared funds on the due date for payment, to the account specified for the purpose by the Noteholder or joint Noteholders in writing to the Company; or
- (b) in the absence of such notification, by cheque, warrant or bankers' draft made payable to and sent to the registered address of the Noteholder or in the case of joint registered holders, made payable to the order of and sent to the registered address of that one of the joint registered holders who is first named on the Register or made payable to such person and sent to such address as the registered holder or all the joint registered holders may in writing direct.

8.2 Every such cheque, warrant or bankers' draft shall be sent on the due date for payment and may be sent through the post at the risk of the registered Noteholder or joint registered holders. Payment of the cheque, warrant or bankers' draft shall be a good discharge to the Company.

8.3 All payments of principal, interest or other moneys to be made by the Company shall be made after any deductions or withholdings for or on account of any present or future taxes required to be deducted or withheld from such payments.

9. Receipt of joint holders

9.1 If several persons are entered in the Register as joint registered holders of any Notes then without prejudice to the provisions of paragraph 8 the receipt of any one of such persons for any interest or principal or other moneys payable in respect of such Notes shall be as effective a discharge to the Company as if the person signing such receipt were the sole registered holder of such Notes.

10. Replacement of certificates

10.1 If the Certificate for any Notes is lost, defaced or destroyed it may be renewed on such terms (if any) as to evidence and indemnity as the Directors may require. In the case of defacement the defaced Certificate shall be surrendered before the new Certificate is issued.

11. Notice of Noteholders

11.1 Any notice or other document (including Certificates for Notes) may be given or sent to any Noteholder by sending the same by post in a prepaid, first-class letter addressed

to such Noteholder at his registered address in the United Kingdom or (if he has no registered address within the United Kingdom) to the address (if any) within the United Kingdom supplied by him to the Company for the giving of notice to him. In the case of joint registered holders of any Notes a notice given to the Noteholder whose name stands first in the Register in respect of such Notes shall be sufficient notice to all joint holders. Notice may be given to the persons entitled to any Notes as a result of the death or bankruptcy of any Noteholder by sending the same by post in a prepaid, first-class envelope addressed to them by name or by the title of the representative or trustees of such Noteholder at the address (if any) in the United Kingdom supplied for the purpose by such persons or (until such address is supplied) by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred.

12. Notice to the company

- 12.1 Any notice or other document (including Certificates for Notes and transfers of Notes) may be given or sent to the Company by sending the same by post in a prepaid, first-class letter addressed to the Company at its registered office for the time being.

13. Service of notices

- 13.1 Any notice, communication or document sent by post shall be deemed to have been delivered or received on the second Business Day following the day on which it was posted. In proving such delivery or receipt it shall be sufficient to prove that the relevant notice, communication or document was properly addressed, stamped and posted (by airmail, if to another country) in the United Kingdom.